

FISCAL NOTE

Bill #: SB0224

Title: Allow off-site educational services

Primary Sponsor: Laslovich, J

Status: As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
Expenditures:		
General Fund	\$0	\$370,600
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	(\$370,600)

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input checked="" type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input checked="" type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. SB 224 allows a district to enroll and serve a resident student at an offsite instructional setting, including the provision of educational services through electronic delivery. It is likely that passage of SB 224 will encourage more home school students, especially high school students, to enroll part-time as public school students.
2. For FY 2005, home school enrollment (as registered with county superintendents) totals 3,971. By grade level, the home school enrollment is: 107 enrolled in kindergarten, 2,932 in grades 1-8, and 932 in grades 9-12.
3. Enrollment in FY 2005 drives ANB funding for FY 2006. Therefore, SB 224 will not impact K-12 BASE costs until FY 2007. For the purposes of this fiscal note, it is assumed that no school experiences a 6% increase in enrollment in FY 2006 as a result of this legislation. (The 6% threshold is the threshold for a school district to be eligible for additional state aid through a budget amendment.)
4. It is assumed that the availability of distance learning programs will increase over time. For FY 2006, 5% of the home school students in grades 1-6 (147 students) and 10% of the home school students in grades 9-12 (93 students) are anticipated to enroll part-time in public school in response to the distance learning option.
5. The state funding per-ANB for an elementary ANB (based on the present law adjustments) will be \$2,771 in FY 2007 and for a high school ANB it will be \$3,589. Based on these assumptions, the state's cost for

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(continued)

K-12 BASE aid will increase by \$370,600 in FY 2007 as a result of SB 224. [FY 2007 = 147 elementary students enrolled half-time at a cost of \$2,771 each plus 93 high school students enrolled half-time at a cost of \$3,589 each.]

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Local Assistance	\$0	\$370,600
<u>Funding of Expenditures:</u>		
General Fund (01)	\$0	\$370,600
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$0	(\$370,600)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

As district's ANB increases, its maximum and BASE general fund budget increases in response. The increase in BASE budget will require a local match for the additional BASE budget authority. The increase in the district maximum budgets will allow districts to choose to increase adopted budgets with the use of local voted levies.

LONG-RANGE IMPACTS:

It is assumed that the availability and diversity of distance learning programs will increase over time. As acceptance increases of this learning method many rural districts may experience greater shifts of students to distance learning.

TECHNICAL NOTES:

Section 1, subsection 1(a) needs to be amended to include not only pupils who meet the residency requirements of 1-1-215, but also pupils who are enrolled under an attendance agreement between the district of residence and the district of attendance.